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SUBJECT: RUSSIAN FAR EAST: LOCAL FIRM WINS TENDER TO BUILD LANDMARK BRIDGE -- UNDER SUSPICIOUS CIRCUMSTANCES

REF: VLADIVOSTOK 058

¶1. Summary. A local company has won a tender to build a landmark bridge across Vladivostok's picturesque Zolotoy Rog Bay. Tikhookeanskaya Mostostroitel'naya Kompaniya (TMK), based in the southern Primorye town of Ussuriysk, won under suspicious circumstances, however: all of the other firms dropped out of competition on the day before bids were due. Some here say that TMK has links to embattled Governor Sergey Darkin, and believe that the firm's victory indicates that Darkin may hold on to his job. End summary.

¶2. A Primorye company has won the tender to build a bridge across Vladivostok's Zolotoy Rog Bay as part of the city's preparations for hosting the 2012 APEC summit. The selection of Tikhookeanskaya Mostostroitel'naya Kompaniya (TMK), based in the town of Ussuriysk, 65 miles north of Vladivostok, may be seen as a sign that local companies are not going to be excluded from APEC preparations, as some had feared. The fact is, however, that TMK (in English, Pacific Bridge building Company) was the only bidder for the tender, despite earlier proud reports from regional officials that not only several Russian companies, but also Chinese, Japanese, and Korean firms would participate in the bidding.

¶3. Just two weeks ago, Giprostroymost-Sankt-Petersburg Institute -- part of consortium with three other design construction institutes, including Vladivostok's Primorgrazhdanproekt -- reported that it was absolutely sure of its victory in the tender. But, incredibly, all of the firms except TMK bowed out of the competition on the very day before the tenders were due. As a result, on the morning of June 18, the official web site of the 2012 APEC summit declared the tender invalid. By the evening of the same day, however, the Primorye government officially declared TMK the contest winner. The director of Primorye's Department of Road Construction, Leonid Vilchinskiy, said that the decision was made in full compliance with the federal law on public procurement.

¶4. Construction of the bridge, estimated to cost 17.9 billion rubles (757 million USD) is to be completed by the end of 2011. TMK, which is known principally for its work on road reconstruction and building, has no previous experience building such large spans. Many of the company's projects, however -- such as the Nekrasovskiy highway overpass, the ongoing reconstruction of the Khasan highway southwest of Vladivostok, and a joint home-building venture with Arkada-House Co. -- are said to be connected with Primorye Governor Sergey Darkin.

¶5. (Note: Darkin returned recently from Moscow, where he had spent a month allegedly recuperating from heart problems after his home and office in Vladivostok were searched by regional anti-corruption investigators. Most here believe that the Governor's real purpose for being in the capital was to lobby Kremlin officials to allow him to keep his job (reftel). End note.)

¶6. As for the Zolotoy Rog bridge, the company plans to involve Russian subcontractors and foreign vendors in the project, so its role will mainly be to manage the work and supervise the flow of federal funding. Independent architecture expert Valentin Anikeyev called the selection of TMK for this unique

project "a complete adventure."

¶7. Comment: TMK's success, coming in the wake of Darkin's predicted demise at the hands of regional anti-corruption investigators, has led some analysts to speculate the Governor is invulnerable. Others predict, however, that the bridge project may yet become another subject for investigation. End comment.

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